CHAPTER 13
SECTION 5.1

INSTITUTIONAL REIMBURSEMENT - GENERAL

Issue Date: August 26, 1985
Authority: 32 CFR 199.14(a), (b), (c), (d), (e), (f), and (g)

I. ISSUE

What procedures may be used in determining payments for institutional services?

II. POLICY

A. Contractors have discretion in the development of allowable cost and charge controls for reimbursement of institutional care. Development of voluntary alternatives, such as negotiated rates, cost reimbursement, or prospective reimbursement are encouraged. The principle of making the determination on the basis of the "reasonable cost" of providing the service must prevail, however, irrespective of the method. This section provides general guidelines and policies which are to be followed by the contractors in determining the allowable costs/charges for institutional services provided to TRICARE beneficiaries. Unless otherwise directed in this chapter, reimbursement for all institutional providers shall follow the procedures set forth for hospitals in Chapter 13, Section 6.1A.

B. If an observation stay is for more than 48 hours, the claim shall be processed as inpatient. Refer to Chapter 1, Section 4.9 for additional policy on observation stays.

C. Effective July 11, 1995, the physician attestation form that requires doctors to certify the accuracy of all diagnoses and procedures before submitting claims for payment is no longer required.

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